GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR
LOK SABHA

STARRED QUESTION NO:459
ANSWERED ON:18.04.2001
INCREASE IN CAPITAL INVESTMENT AFTER GLOBALISATION
SUSHIL KUMAR INDORA;ZORA SINGH MANN

Will the Minister of SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR be pleased to state:

(a) whether there has been a need to enhance capital investment in small scale industries after the announcement of industrial liberalisation and globalisation policy in the country;

(b) if so, the estimated investment required in small scale industries during the years 1997-98, 1998-99 and 1999-2000; and

(c) the new measures adopted by the Government to meet the capital requirement of small scale industries during these years?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGF RURAL INDUSTRIES (SMT. VASUNDHARA RAJE)

(a) to (c): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (c) OF LOK SABHA STARRED QUESTION NO. 459 RAISED BY ZORA SINGH MANN AND DR. SUSHIL KUMAR INDORA TO BE ANSWERED ON 18.04.2001

(a) Government continues to examine from time to time which hi-tech and export oriented industries require an increase in the investment limit for Small Scale Industries (SSIs) in order to enable them to maintain their competitive edge. A draft order in respect of Knitwear and handlooms industries, raising the investment limit to Rs. 5 cores, has been laid before Parliament in December, 2000. This will come into force after the period specified in the Industries (Development & Regulation) Act. 1951.

(b) As per SIDBI`s report on Small Enterprises (2000) the estimated requirement of fixed investment in SSIs during the year 1997-98 was Rs. 70,891 crores, for 1998-99 Rs. 77,531 crores and for 1999-2000, Rs. 82,411 crores respectively.

(c) Equity funding through the National Equity Fund of SIDBI has been made easier through the enhancement of limits of project cost. The limits of composite loans have been enhanced and a Credit Guarantee Scheme launched. In addition, specialized SSI bank branches for each cluster along with extension of SIDBIs Technology Development & Modernisation Fund Scheme have been approved during these years.